



STATE OF ARIZONA
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY
GOVERNOR

EXECUTIVE OFFICE

March 31, 2017

The Honorable Michele Reagan
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Reagan:

I am transmitting to you the following bills from the Fifty-third Legislature, 1st Regular Session, which I signed on March 31, 2017:

HB 2041 - DHS; health care institutions; licensure (Carter)
HB 2067 - real estate licensing; applicability; exemption (Shope)
HB 2365 - wireless facilities; rights-of-way (Weninger)
HB 2375 - victims; medical bills; prohibited acts (Boyer)
HB 2412 - voter registration records; petition submittals (Coleman)
HB 2438 - corporations; nontaxable event; status change (E. Farnsworth)
SB 1047 - medical student loans; board; continuation (Kavanagh)
SB 1079 - DES; ownership; land; building (Barto)
SB 1109 - fingerprinting; child placement; IT contractors (Brophy McGee)
SB 1168 - Arizona outdoor recreation commission; continuation (Fann)
SB 1196 - Arizona department of housing; continuation (Brophy McGee)
SB 1367 - abortion; live delivery; report; definition (Smith)

Sincerely,

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

House Engrossed

FILED

**MICHELE REAGAN
SECRETARY OF STATE**

State of Arizona
House of Representatives
Fifty-third Legislature
First Regular Session
2017

**CHAPTER 122
HOUSE BILL 2041**

AN ACT

AMENDING SECTIONS 36-405, 36-421, 36-422, 36-424, 36-425 AND 36-449.02,
ARIZONA REVISED STATUTES; RELATING TO HEALTH CARE INSTITUTION LICENSURE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 36-405, Arizona Revised Statutes, is amended to
3 read:

4 36-405. Powers and duties of the director

5 A. The director shall adopt rules to establish minimum standards
6 and requirements for the construction, modification and licensure of
7 health care institutions necessary to ~~assure~~ ENSURE the public health,
8 safety and welfare. The standards and requirements shall relate to the
9 construction, equipment, sanitation, staffing for medical, nursing and
10 personal care services, and ~~record-keeping~~ RECORDKEEPING pertaining to the
11 administration of medical, nursing, behavioral health and personal care
12 services, in accordance with generally accepted practices of health care.
13 The director shall use the current standards adopted by the joint
14 commission on accreditation of hospitals and the commission on
15 accreditation of the American osteopathic association or those adopted by
16 any recognized accreditation organization approved by the department as
17 guidelines in prescribing minimum standards and requirements under this
18 section.

19 B. The director, by rule, may:

20 1. Classify and subclassify health care institutions according to
21 character, size, range of services provided, medical or dental specialty
22 offered, duration of care and standard of patient care required for the
23 purposes of licensure. Classes of health care institutions may include
24 hospitals, infirmaries, outpatient treatment centers, health screening
25 services centers and residential care facilities. Whenever the director
26 reasonably deems distinctions in rules and standards to be appropriate
27 among different classes or subclasses of health care institutions, the
28 director may make such distinctions.

29 2. Prescribe standards for determining a health care institution's
30 substantial compliance with licensure requirements.

31 3. Prescribe the criteria for the licensure inspection process.

32 4. Prescribe standards for the selection of health ~~care-related~~
33 CARE-RELATED demonstration projects.

34 5. Establish ~~and collect~~ nonrefundable APPLICATION AND LICENSING
35 fees for health care institutions ~~for license applications, initial~~
36 ~~licenses, renewal licenses~~, INCLUDING A GRACE PERIOD AND A FEE FOR THE
37 LATE PAYMENT OF LICENSING FEES, and FEES FOR architectural ~~drawing~~ PLANS
38 AND SPECIFICATIONS reviews.

39 6. ESTABLISH A PROCESS FOR THE DEPARTMENT TO NOTIFY A LICENSEE OF
40 THE LICENSEE'S LICENSING FEE DUE DATE.

41 7. ESTABLISH A PROCESS FOR A LICENSEE TO REQUEST A DIFFERENT
42 LICENSING FEE DUE DATE, INCLUDING ANY LIMITS ON THE NUMBER OF REQUESTS BY
43 THE LICENSEE.

1 C. The director, by rule, shall adopt licensing provisions that
2 facilitate the colocation and integration of outpatient treatment centers
3 that provide medical, nursing and health-related services with behavioral
4 health services consistent with article 3.1 of this chapter.

5 D. Ninety percent of the fees collected pursuant to this section
6 shall be deposited, pursuant to sections 35-146 and 35-147, in the health
7 services licensing fund established by section 36-414 and ten percent of
8 the fees collected pursuant to this section shall be deposited, pursuant
9 to sections 35-146 and 35-147, in the state general fund.

10 E. Subsection B, paragraph 5 of this section does not apply to a
11 health care institution operated by a state agency pursuant to state or
12 federal law or to adult foster care residential settings.

13 Sec. 2. Section 36-421, Arizona Revised Statutes, is amended to
14 read:

15 36-421. Construction or modification of a health care
16 institution

17 A. ~~An initial~~ A license application for a health care institution
18 shall include architectural plans and specifications OR THE DEPARTMENT'S
19 APPROVAL OF THE ARCHITECTURAL PLANS AND SPECIFICATIONS. These plans and
20 specifications shall meet the minimum standards for licensure within the
21 class or subclass of health care institution for which it is intended.
22 The application shall include the name and address of each owner and
23 lessee of any agricultural land THAT IS regulated pursuant to section
24 3-365.

25 B. Construction or modification of a licensed health care
26 institution shall meet the minimum standards for licensure within the
27 class or subclass of health care institution for which it is intended.

28 C. An applicant shall comply with all state statutes and rules and
29 local codes and ordinances required for the health care institution's
30 construction.

31 D. A health care institution or its facility shall not be licensed
32 if it is located on property that is less than four hundred feet from
33 agricultural land that is regulated pursuant to section 3-365, except that
34 the owner of the agricultural land may agree to comply with the buffer
35 zone requirements of section 3-365. If the owner agrees in writing to
36 comply with the buffer zone requirements and records the agreement in the
37 office of the county recorder as a restrictive covenant running with the
38 title to the land, the health care institution or facility may be licensed
39 and located within the affected buffer zone. The agreement may include
40 any stipulations regarding the health care institution or facility,
41 including conditions for future expansion of the health care institution
42 or facility and changes in the operational status of the health care
43 institution or facility that will result in a breach of the agreement.
44 This subsection does not apply to the issuance or ~~renewal~~ of a license for

1 a health care institution located in the same location for which a health
2 care institution license was previously issued.

3 E. Notwithstanding any law to the contrary, a health care
4 institution that was licensed as a level 1 psychiatric acute behavioral
5 health facility-inpatient facility, as of January 1, 2012 and that is not
6 certified under title XIX of the social security act shall be licensed as
7 a hospital and is not required to comply with the physical plant standards
8 for a general hospital, rural general hospital or a special hospital
9 prescribed by the department.

10 F. For the purposes of this section, health care institution does
11 not include a home health agency, a mental health service agency or a
12 hospice service agency.

13 Sec. 3. Section 36-422, Arizona Revised Statutes, is amended to
14 read:

15 36-422. Application for license; notification of proposed
16 change in status; joint licenses; definitions

17 A. A person who wishes to apply for ~~an initial~~ A license ~~or to~~
18 ~~renew a license~~ to operate a health care institution pursuant to this
19 chapter shall ~~file with~~ SUBMIT TO the department ALL OF THE FOLLOWING:

20 1. An application on a written or electronic form that is
21 prescribed, prepared and furnished by the department. ~~The application~~
22 ~~shall contain the following~~ THAT CONTAINS ALL OF THE FOLLOWING:

23 ~~1.~~ (a) The name and location of the health care institution.

24 ~~2.~~ (b) Whether ~~it~~ THE HEALTH CARE INSTITUTION is to be operated as
25 a proprietary or nonproprietary institution.

26 ~~3.~~ (c) The name of the governing authority. The applicant shall
27 be the governing authority having the operative ownership of, or the
28 governmental agency charged with the administration of, the health care
29 institution sought to be licensed. If the applicant is a partnership that
30 is not a limited partnership, the partners shall ~~make the application~~
31 APPLY jointly, and the partners are jointly the governing authority for
32 purposes of this article.

33 ~~4.~~ (d) The name and business or residential address of each
34 controlling person and an affirmation that none of the controlling persons
35 has been denied a license or certificate by a health profession regulatory
36 board pursuant to title 32 or by a state agency pursuant to chapter 6,
37 article 7 or chapter 17 of this title or a license to operate a health
38 care institution in this state or another state or has had a license or
39 certificate issued by a health profession regulatory board pursuant to
40 title 32 or issued by a state agency pursuant to chapter 6, article 7 or
41 chapter 17 of this title or a license to operate a health care institution
42 revoked. If a controlling person has been denied a license or certificate
43 by a health profession regulatory board pursuant to title 32 or by a state
44 agency pursuant to chapter 6, article 7 or chapter 17 of this title or a
45 license to operate a health care institution in this state or another

1 state or has had a health care professional license or a license to
2 operate a health care institution revoked, the controlling person shall
3 include in the application a comprehensive description of the
4 circumstances for the denial or the revocation.

5 ~~5.~~ (e) The class or subclass of health care institution to be
6 established or operated.

7 ~~6.~~ (f) The types and extent of the health care services to be
8 provided, including emergency services, community health services and
9 services to indigent patients.

10 ~~7.~~ (g) The name and qualifications of the chief administrative
11 officer implementing direction in that specific health care institution.

12 ~~8.~~ (h) Other pertinent information required by the department for
13 the proper administration of this chapter and department rules.

14 2. THE ARCHITECTURAL PLANS AND SPECIFICATIONS OR THE DEPARTMENT'S
15 APPROVAL OF THE ARCHITECTURAL PLANS AND SPECIFICATIONS REQUIRED BY SECTION
16 36-421, SUBSECTION A.

17 3. THE APPLICABLE APPLICATION FEE.

18 B. An application ~~filed~~ SUBMITTED pursuant to this section shall
19 contain the written or electronic signature of:

20 1. If the applicant is an individual, the owner of the health care
21 institution.

22 2. If the applicant is a partnership, limited liability company or
23 corporation, two of the officers of the corporation or managing members of
24 the partnership or limited liability company or the sole member of the
25 limited liability company if it has only one member.

26 3. If the applicant is a governmental unit, the head of the
27 governmental unit.

28 C. An application for licensure ~~or relicensure~~ shall be ~~filed~~
29 SUBMITTED at least sixty but not more than one hundred twenty days before
30 the anticipated DATE OF operation ~~or the expiration date of the current~~
31 ~~license~~. An application for a substantial compliance survey submitted
32 pursuant to section 36-425, subsection G shall be ~~filed~~ SUBMITTED at least
33 thirty days before the date on which the substantial compliance survey is
34 requested.

35 D. If a current licensee intends to terminate the operation of a
36 licensed health care institution or if a change of ownership is planned
37 ~~either during or at the expiration of the term of the license~~, the current
38 licensee shall notify the director in writing at least thirty days before
39 the termination of operation or change in ownership is to take place. The
40 current licensee is responsible for preventing any interruption of
41 services required to sustain the life, health and safety of the patients
42 or residents. A new owner shall not begin operating the health care
43 institution until the director issues a license TO THE NEW OWNER.

1 E. A licensed health care institution for which operations have not
2 been terminated for more than thirty days may be relicensed pursuant to
3 the CODES AND standards FOR ARCHITECTURAL PLANS AND SPECIFICATIONS that
4 were applicable under its most recent license.

5 F. If a person operates a hospital in a county with a population of
6 more than five hundred thousand persons in a setting that includes
7 satellite facilities of the hospital that are located separately from the
8 main hospital building, the department at the request of the applicant or
9 licensee shall issue a single group license to the hospital and its
10 designated satellite facilities located within one-half mile of the main
11 hospital building if all of the facilities meet or exceed department
12 licensure requirements for the designated facilities. At the request of
13 the applicant or licensee, the department shall also issue a single group
14 license that includes the hospital and not more than ten of its designated
15 satellite facilities that are located farther than one-half mile from the
16 main hospital building if all of these facilities meet or exceed
17 applicable department licensure requirements. Each facility included
18 under a single group license is subject to the department's licensure
19 requirements that are applicable to that category of facility. Subject to
20 compliance with applicable licensure or accreditation requirements, the
21 department shall reissue individual licenses for the facility of a
22 hospital located in separate buildings from the main hospital building
23 when requested by the hospital. This subsection does not apply to nursing
24 care institutions and residential care institutions. The department is
25 not limited in conducting inspections of an accredited health care
26 institution to ensure that the institution meets department licensure
27 requirements. If a person operates a hospital in a county with a
28 population of five hundred thousand persons or less in a setting that
29 includes satellite facilities of the hospital that are located separately
30 from the main hospital building, the department at the request of the
31 applicant or licensee shall issue a single group license to the hospital
32 and its designated satellite facilities located within thirty-five miles
33 of the main hospital building if all of the facilities meet or exceed
34 department licensure requirements for the designated facilities. At the
35 request of the applicant or licensee, the department shall also issue a
36 single group license that includes the hospital and not more than ten of
37 its designated satellite facilities that are located farther than
38 thirty-five miles from the main hospital building if all of these
39 facilities meet or exceed applicable department licensure requirements.

40 G. If a county with a population of more than one million persons
41 or a special health care district in a county with a population of more
42 than one million persons operates an accredited hospital that includes the
43 hospital's accredited facilities that are located separately from the main
44 hospital building and the accrediting body's standards as applied to all
45 facilities meet or exceed the department's licensure requirements, the

1 department shall issue a single license to the hospital and its facilities
2 if requested to do so by the hospital. If a hospital complies with
3 applicable licensure or accreditation requirements, the department shall
4 reissue individual licenses for each hospital facility that is located in
5 a separate building from the main hospital building if requested to do so
6 by the hospital. This subsection does not limit the department's duty to
7 inspect a health care institution to determine its compliance with
8 department licensure standards. This subsection does not apply to nursing
9 care institutions and residential care institutions.

10 H. An applicant or licensee must notify the department within
11 thirty days after any change regarding a controlling person and provide
12 the information and affirmation required pursuant to subsection A,
13 paragraph ~~4~~ 1, SUBDIVISION (d) of this section.

14 I. This section does not limit the application of federal laws and
15 regulations to an applicant or licensee THAT IS certified as a medicare or
16 an Arizona health care cost containment system provider under federal law.

17 J. Except for an outpatient treatment center providing dialysis
18 services or abortion procedures, a person wishing to begin operating an
19 outpatient treatment center before ~~an initial~~ A licensing inspection is
20 completed shall submit all of the following:

21 1. The ~~initial~~ license application required pursuant to this
22 section.

23 2. All applicable application and license fees.

24 3. A written request for a temporary license that includes:

25 (a) The anticipated date of operation.

26 (b) An attestation signed by the applicant that the applicant and
27 the facility comply with and will continue to comply with the applicable
28 licensing statutes and rules.

29 K. Within seven days ~~of~~ AFTER the department's receipt of the items
30 required in subsection J of this section, but not before the anticipated
31 operation date submitted ~~in~~ PURSUANT TO subsection C of this section, the
32 department shall issue a temporary license that includes:

33 1. The name of the facility.

34 2. The name of the licensee.

35 3. The facility's class or subclass.

36 4. The temporary license's effective date.

37 5. The location of the licensed premises.

38 L. A facility may begin operating on the effective date of the
39 temporary license.

40 M. The director may cease the issuance of temporary licenses at any
41 time if the director believes that public health and safety is endangered.

1 N. For the purposes of this section:

2 1. "Accredited" means accredited by a nationally recognized
3 accreditation organization.

4 2. "Satellite facility" means an outpatient facility at which the
5 hospital provides outpatient medical services.

6 Sec. 4. Section 36-424, Arizona Revised Statutes, is amended to
7 read:

8 36-424. Inspections; suspension or revocation of license;
9 report to board of examiners of nursing care
10 institution administrators

11 ~~A. Every applicant for initial licensure or relicensure as a health~~
12 ~~care institution shall submit to the director a properly completed~~
13 ~~application for a license accompanied by the necessary fee.~~

14 ~~B.~~ A. Subject to the limitation prescribed by subsection ~~C~~ B of
15 this section, the director shall inspect the premises of the health care
16 institution and investigate the character and other qualifications of the
17 applicant to ascertain whether the applicant and the health care
18 institution are in substantial compliance with the requirements of this
19 chapter and the rules established pursuant to this chapter. The director
20 may prescribe rules regarding department background investigations into an
21 applicant's character and qualifications.

22 ~~C.~~ B. The director shall accept proof that a health care
23 institution is an accredited hospital or is an accredited health care
24 institution in lieu of all compliance inspections required by this chapter
25 if the director receives a copy of the institution's accreditation report
26 for the licensure period. If the health care institution's accreditation
27 report is not valid for the entire licensure period, the department may
28 conduct a compliance inspection of the health care institution during the
29 time period the department does not have a valid accreditation report for
30 the health care institution.

31 ~~D.~~ C. On a determination by the director that there is reasonable
32 cause to believe a health care institution is not adhering to the
33 licensing requirements of this chapter, the director and any duly
34 designated employee or agent of the director, including county health
35 representatives and county or municipal fire inspectors, consistent with
36 standard medical practices, may enter on and into the premises of any
37 health care institution that is licensed or required to be licensed
38 pursuant to this chapter at any reasonable time for the purpose of
39 determining the state of compliance with this chapter, the rules adopted
40 pursuant to this chapter and local fire ordinances or rules. Any
41 application for licensure under this chapter constitutes permission for
42 and complete acquiescence in any entry or inspection of the premises
43 during the pendency of the application and, if licensed, during the term
44 of the license. If an inspection reveals that the health care institution
45 is not adhering to the licensing requirements established pursuant to this

1 chapter, the director may take action authorized by this chapter. Any
2 health care institution, including an accredited hospital, whose license
3 has been suspended or revoked in accordance with this section is subject
4 to inspection on application for relicensure or reinstatement of license.

5 E. D. The director shall immediately report to the board of
6 examiners of nursing care institution administrators information
7 identifying that a nursing care institution administrator's conduct may be
8 grounds for disciplinary action pursuant to section 36-446.07.

9 Sec. 5. Section 36-425, Arizona Revised Statutes, is amended to
10 read:

11 36-425. Inspections; issuance of license; posting
12 requirements; provisional license; denial of
13 license

14 A. On receipt of a properly completed application for ~~initial~~
15 ~~licensure~~ A HEALTH CARE INSTITUTION LICENSE, the director shall conduct an
16 inspection of the health care institution as prescribed by this chapter.
17 If an application for an ~~initial~~ A license is submitted due to a planned
18 change of ownership, the director shall determine the need for an
19 inspection of the health care institution. Based on the results of the
20 inspection AND AFTER THE SUBMISSION OF THE APPLICABLE LICENSING FEE, the
21 director shall either deny the license or issue a regular or provisional
22 license. A license issued by the department shall be conspicuously posted
23 in A CONSPICUOUS LOCATION IN the reception area of that institution.
24 ~~Unless the health care institution is an accredited hospital at the time~~
25 ~~of licensure, an initial license is valid for one year after the date the~~
26 ~~initial license is issued. If the health care institution is an~~
27 ~~accredited hospital at the time of licensure, the licensure term is three~~
28 ~~years from the expiration date of the hospital's current license, or in~~
29 ~~the case of an initial license based on a change of ownership, the~~
30 ~~licensure term is three years beginning on the effective date of the~~
31 ~~hospital's current accreditation.~~

32 B. The director shall issue an ~~initial~~ A license if the director
33 determines that an applicant and the health care institution for which the
34 license is sought substantially comply with the requirements of this
35 chapter and rules adopted pursuant to this chapter and the applicant
36 agrees to carry out a plan acceptable to the director to eliminate any
37 deficiencies. The director shall not require a health care institution
38 that was designated as a critical access hospital to make any
39 modifications required by this chapter or rules adopted pursuant to this
40 chapter in order to obtain an amended license with the same licensed
41 capacity the health care institution had before it was designated as a
42 critical access hospital if all of the following are true:

1 1. The health care institution has subsequently terminated its
2 critical access hospital designation.

3 2. The licensed capacity of the health care institution does not
4 exceed its licensed capacity prior to BEFORE its designation as a critical
5 access hospital.

6 3. The health care institution remains in compliance with the
7 applicable codes and standards that were in effect at the time the
8 facility was originally licensed with the higher licensed capacity.

9 ~~C. On receipt of an application for a renewal of a health care~~
10 ~~institution's license that complies with the requirements of this chapter~~
11 ~~and rules adopted pursuant to this chapter, the department shall issue a~~
12 ~~renewal license to the health care institution. An accredited hospital's~~
13 ~~renewal license is valid for three years after the expiration date of the~~
14 ~~accredited hospital's current license. All other health care institution~~
15 ~~renewal licenses are valid for one year after the expiration date of the~~
16 ~~health care institution's current license.~~

17 C. A HEALTH CARE INSTITUTION LICENSE DOES NOT EXPIRE AND REMAINS
18 VALID UNLESS:

19 1. THE DEPARTMENT SUBSEQUENTLY REVOKES OR SUSPENDS THE LICENSE.

20 2. THE LICENSE IS CONSIDERED VOID BECAUSE THE LICENSEE DID NOT PAY
21 THE LICENSING FEE BEFORE THE LICENSING FEE DUE DATE.

22 D. Except as provided in section 36-424, subsection ~~C~~ B and
23 subsection E of this section, the department shall conduct a compliance
24 inspection of a health care institution to determine compliance with this
25 chapter and rules adopted pursuant to this chapter at least once during
26 each license period ANNUALLY.

27 ~~E. After the initial license period ends and after~~ IF the
28 department determines a facility to be deficiency free on a compliance
29 survey, the department shall not conduct a compliance survey of that
30 facility for twenty-four months from AFTER the date of the deficiency free
31 survey. This subsection does not prohibit the department from enforcing
32 licensing requirements as authorized by section 36-424.

33 F. A hospital licensed as a rural general hospital may provide
34 intensive care services.

35 G. The director shall issue a provisional license for a period of
36 not more than one year if an inspection or investigation of a currently
37 licensed health care institution or a health care institution for which an
38 applicant is seeking ~~initial licensure~~ A LICENSE reveals that the
39 institution is not in substantial compliance with department licensure
40 requirements and the director believes that the immediate interests of the
41 patients and the general public are best served if the institution is
42 given an opportunity to correct deficiencies. The applicant or licensee
43 shall agree to carry out a plan to eliminate deficiencies that is
44 acceptable to the director. The director shall not issue consecutive
45 provisional licenses to a single health care institution. The director

1 shall not issue a license to the current licensee or a successor applicant
2 before the expiration of the provisional license unless the health care
3 institution submits an application for a substantial compliance survey and
4 is found to be in substantial compliance. The director may issue a
5 license only if the director determines that the institution is in
6 substantial compliance with the licensure requirements of the department
7 and this chapter. This subsection does not prevent the director from
8 taking action to protect the safety of patients pursuant to section
9 36-427.

10 H. Subject to the confidentiality requirements of articles 4 and 5
11 of this chapter, title 12, chapter 13, article 7.1 and section 12-2235,
12 the licensee shall keep current department inspection reports at the
13 health care institution. Unless federal law requires otherwise, the
14 licensee shall conspicuously post IN A CONSPICUOUS LOCATION a notice that
15 identifies the location at that institution where the inspection reports
16 are available for review.

17 I. A health care institution shall immediately notify the
18 department in writing when there is a change of the chief administrative
19 officer specified in section 36-422, subsection A, paragraph 7- 1,
20 SUBDIVISION (g).

21 J. When the department issues an original license or an original
22 provisional license to a health care institution, it shall notify the
23 owners and lessees of any agricultural land within one-fourth mile of the
24 health care institution. The health care institution shall provide the
25 department with the names and addresses of owners or lessees of
26 agricultural land within one-fourth mile of the proposed health care
27 institution.

28 K. In addition to the grounds for denial of licensure prescribed
29 pursuant to subsection A of this section, the director may deny a license
30 because an applicant or anyone in a business relationship with the
31 applicant, including stockholders and controlling persons, has had a
32 license to operate a health care institution denied, revoked or suspended
33 or a license or certificate issued by a health profession regulatory board
34 pursuant to title 32 or issued by a state agency pursuant to chapter 6,
35 article 7 or chapter 17 of this title denied, revoked or suspended or has
36 a licensing history of recent serious violations occurring in this state
37 or in another state that posed a direct risk to the life, health or safety
38 of patients or residents.

39 L. In addition to the requirements of this chapter, the director
40 may prescribe by rule other licensure requirements and may prescribe
41 ~~procedures for conducting investigations into an applicant's character and~~
42 ~~qualifications.~~

1 Sec. 6. Section 36-449.02, Arizona Revised Statutes, is amended to
2 read:

3 36-449.02. Abortion clinics; licensure requirements; rules;
4 inspections; standing to intervene; legal
5 counsel

6 A. Beginning on April 1, 2000, an abortion clinic shall meet the
7 same licensure requirements as prescribed in article 2 of this chapter for
8 health care institutions. ~~On initial~~ AT THE TIME OF licensure ~~and any~~
9 ~~subsequent renewal~~, an abortion clinic shall submit to the director all
10 documentation required by this article, including verification that the
11 clinic's physicians who are required to be available have admitting
12 privileges at a health care institution as required by section 36-449.03,
13 subsection C, paragraph 3.

14 ~~B. An abortion clinic that holds an unclassified health care~~
15 ~~facility license issued before August 6, 1999 may retain that~~
16 ~~classification until April 1, 2000 subject to compliance with all laws~~
17 ~~that relate to unclassified health care facilities.~~

18 B. ON OR BEFORE THE ANNIVERSARY OF THE ISSUE DATE OF AN ABORTION
19 CLINIC'S LICENSE, THE ABORTION CLINIC SHALL SUBMIT TO THE DIRECTOR ALL
20 DOCUMENTATION REQUIRED BY THIS ARTICLE.

21 C. Beginning on April 1, 2000, abortion clinics shall comply with
22 department requirements for abortion clinics and department rules that
23 govern abortion clinics.

24 D. If the director determines that there is reasonable cause to
25 believe an abortion clinic is not adhering to the licensing requirements
26 of this article or any other law or rule concerning abortion, the director
27 and any duly designated employee or agent of the director, including
28 county health representatives and county or municipal fire inspectors,
29 consistent with standard medical practices, may enter on and into the
30 premises of the abortion clinic that is licensed or required to be
31 licensed pursuant to this article during regular business hours of the
32 abortion clinic to determine compliance with this article, rules adopted
33 pursuant to this article, local fire ordinances or rules and any other law
34 or rule relating to abortion.

35 E. An application for licensure pursuant to this article
36 constitutes permission for, and complete acquiescence in, an entry or
37 inspection of the premises during the pendency of the application and, if
38 licensed, ~~during the term of the license~~ WHILE THE ABORTION CLINIC IS
39 LICENSED.

40 F. If an inspection conducted pursuant to this section reveals that
41 an abortion clinic is not adhering to the licensing requirements
42 prescribed pursuant to this article or any other law or rule concerning
43 abortion, the director may take action authorized by this article.

1 G. An abortion clinic whose license has been suspended or revoked
2 pursuant to this article or section 36-424 is subject to inspection on
3 application for relicensure or reinstatement of the license.

4 H. In any proceeding in which the constitutionality, legality or
5 application of this section is challenged, the attorney general or any
6 county or city attorney who wishes to defend the law has the right to
7 intervene as a party and is deemed to have proper standing in the matter.
8 The only objection that may be raised to a motion to intervene as of right
9 pursuant to this subsection is that the proposed intervenor does not have
10 a good faith intention to defend the law. Any party or proposed
11 intervenor may raise this objection. Notwithstanding section 41-192, the
12 department may employ legal counsel and make an expenditure or incur an
13 indebtedness for legal services for the purposes of defending this
14 section.

APPROVED BY THE GOVERNOR MARCH 31, 2017.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 31, 2017.

Passed the House February 2, 20 17

by the following vote: 59 Ayes,

0 Nays, 1 Not Voting

[Signature]
Speaker of the House

☐ Pro Tempore

Jim Drake
Chief Clerk of the House

Passed the Senate March 30, 20 17

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting

[Signature]
President of the Senate

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

30th day of March, 20 17

at 1:11 o'clock P. M.

[Signature]
Secretary to the Governor

Approved this 31st day of

March, 20 17

at 3:10 o'clock P. M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 31 day of March, 20 17

at 4:47 o'clock P. M.

[Signature]
Secretary of State

H.B. 2041